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WHAT WILL OUR HARVEST BE THIS YEAR?

The prospective plantings report—released March 18—provides us with our first good look at what crop production might be in 1960.

This year over 100,000 farmers in all parts of the country reported their planting plans to their State agricultural statisticians who, in turn, sent reports to the Crop Reporting Board in Washington. The material from all States was reviewed, analyzed, and summarized. The report was published covering information by States, and for the United States.

The Intentions report covers 15 spring planted crops, and all hay to be harvested and provides a preview of how winter wheat has survived the winter. Naturally, when the acreage of crops is known the next question is "how much will the harvest be?"

A look at 30 years of our agricultural production reveals some drastic changes in the Nation's farm production capacity. In 1932, about the height of the depression, 375 million acres of crops were planted and about 362 million acres were harvested. Then drought hit. In 1934 the Nation's farmers planted only 339 million acres of crops. The fury of the drought cut the acreage harvested to only 295 million acres.

Planted acreage of all crops rebounded quickly to around 360 million acres, and after declining during the

late thirties, advanced again during World War II. However, there has been a downward trend in total acreage of all crops planted since about 1944.

While acreage of all crops planted in the past 30 years has varied between 375 million and 330 million, the trend in total crop production has been slowly but surely upward during most of those years.

The greatest evolution has been in yields per acre. The composite yield per acre of all crops combined has doubled in the past 30 years. Generally speaking, that means it takes far less acreage to maintain crop production than it used to a quarter of a century ago.

So much for history—but we do need to take a look at the past in order to see more clearly what the future may hold for 1960. Naturally, with stocks of many commodities at burdensome levels, we wonder about the 1960 harvest.

A look at the March intentions report for 1960 indicates that the total acreage of crops grown in the Nation this year may be 337 million—only about a million acres fewer than last year.

What about the parts that make up that total?

Corn . . .

Farmers intend to plant slightly more acres to corn than in 1959—about 86 million acres. Thus, over one-fourth of the total acreage of all crops will be planted to corn.

Hay . . .

Sixty-nine million acres of hay are planned to be cut in 1960, about the same as last year, but well below average.

Wheat . . .

Wheat occupies America's third largest acreage. Using the planted acreage of spring wheat indicated in March and the acreage of winter wheat planted last fall total wheat planted will be about 1 percent below last year. Durum wheat growers plan to increase their plantings one-third this year, but other spring varieties will be the second lowest of record.

Oats . . .

The oat acreage is expected to be 5 percent less than last year and the smallest of record. Old dobbin is fast becoming only a relic but he was once the principal consumer of oats, so there is now less need for this commodity than in days gone by.

Soybeans . . .

America's wonder crop, the soybean, is expected to be planted on 25 million acres, up 6 percent from last year and second only to the big 1958 acreage.

Sorghums . . .

Sorghums will be planted on 20 million acres this year, little different from last year. Hybrid varieties have completely changed the sorghum picture in this country. Yields have doubled in the past 10 years, and where 15 bushels per acre was once a good yield, growers are now disappointed if the same land fails to produce 35 or more bushels of the new hybrids.

This is a recent but vivid picture of what the change in farming techniques does to farm production. Thus, acreage can be halved and production still maintained.

(*Continued on p. 14*)

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FEWER SOWS IN THE CORN BELT . . .

Here's the latest on the hog picture in 10 Corn Belt States—Ohio, Ind., Ill., Wis., Minn., Iowa, Mo., S. Dak., Nebr., and Kans.

1. Breeding intentions indicate 2.3 million sows to farrow during the summer quarter (June through August), 4 percent fewer than in the same period of 1959.

2. The number of sows farrowed and intended to farrow during the spring pig crop season (December through May) is now estimated at 5.3 million head, 13 percent fewer than in the same period last year, and 13 percent below the 1949–58 average.

Farmers' intentions point to decreases in sow farrowings during the summer quarter (June through August) in all 10 States. Decreases are 8 percent in Illinois, 5 percent in Minnesota and Missouri, 3 percent in Indiana and South Dakota, and 2 percent in Ohio, Wisconsin, Iowa, Nebraska, and Kansas.

Spring farrowings (December through May) are down from a year earlier in each of the 10 States. The decreases range from 7 percent in Ohio and Missouri to 28 percent in South Dakota. A decrease of 20 percent is indicated in Nebraska, 19 percent in Kansas, 15 percent in Wisconsin and Minnesota, 12 percent in Iowa, 11 percent in Illinois, and 10 percent in Indiana.

The March 1 survey indicated that total spring farrowings for the 10 States will be about the same as indicated by intentions last December. Farrowings December through February were 4 percent below those indicated by intentions in December. Present intentions for March through May are 1 percent higher than the December intentions. The 10 States included in this report accounted for 73 percent of the 1959 United States pig crop.

Sows farrowed in the 10 States during December, January, and February totaled 1.7 million head, 19 percent fewer than during the same period a year earlier, but 35 percent above average. These farrowings represent one-third of the estimated December-May total.

Farrowings during December were only slightly below a year earlier. In January and February they were down sharply compared with a year earlier.

Sows bred and intended for farrowing in March, April, and May this year in the 10 States totaled 3.6 million head, 10 percent fewer than a year earlier, and 26 percent below average. All 10 States indicate decreases from a year earlier, ranging from 3 percent in Ohio and Indiana to 26 percent in South Dakota.

Inventory

On March 1, the number of all hogs and pigs in 9 of the States with comparable data totaled 34.6 million head, 9 percent less than a year earlier. All States showed decreases, ranging from 5 percent in Illinois to 24 percent in South Dakota. Hogs and pigs 6 months old and over totaled 11.9 million head, 6 percent fewer than a year earlier. Total commercial slaughter of hogs for the United States during January was 11 percent higher than a year earlier.

The number of pigs under 6 months of age in the 9 States was 10 percent smaller than on March 1, 1959. There was a decrease of 1 percent in the 3–6-month age group and a decrease of 18 percent in the number under 3 months of age.

The 12.6 million pigs under 3 months old on farms March 1 in the 10 States accounted for 32 percent of all hogs. The 13.4 million head in the 3–6-month age group represented 34 percent of the total hogs.

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WOOL OUTLOOK REMAINS GOOD

World trade in raw wool and wool manufacturers increased substantially in 1959 in contrast to the lower levels of 1958 when a relatively severe recession occurred in the wool industry. World wool prices are now considerably above a year ago when they were at a post-Korean low. With the record world wool production and consumption approximately in balance the outlook for the next few months is for continued good demand at about current prices.

The average price growers received for shorn wool in the open market during the 1959–60 marketing year will be about 15 percent higher than the 36.4 cents a pound they received last year. The average price received from April 1959 through January 1960 was 42.8 cents a pound.

Prices received by growers in the next few months can be expected to fluctuate at about the January–February level—due to anticipated good demand for wool products, low domestic apparel wool stocks, and competitive prices of other fibers. The incentive level for shorn wool for the 1960 marketing year is 62 cents a pound.

The number of stock sheep and lambs on farms and ranches on January 1, 1960, was 29.5 million head, 3 percent above a year before and the largest January 1 inventory since 1948. The number of head on feed January 1 was 7 percent less than a year earlier. However, all sheep and lambs, including stock and those on feed, totaled 33.6 million head, 2 percent more than January 1, 1959.

Production

The 1959 domestic wool production totaled 291.7 million pounds, grease basis—257.2 million pounds of shorn wool and 34.5 million pounds of pulled wool. This total is 7 percent more than in 1958 and the highest since 1947. Shorn wool production in 1960 may be about 4 percent higher than 1959 because of the increased number of stock sheep in the Western States and Texas where the fleece weights are heavier.

World wool production in 1959 is estimated at a record 5,545 million pounds, grease basis, 4 percent more than in 1958. This record world clip is due to significant increases in output in Argentina, Australia, New Zealand, the Soviet Union, and the United States.

Consumption

Domestic raw wool consumption in 1959 totaled 431.1 million pounds, scoured basis—266.7 million pounds of apparel wool and 164.4 million pounds of carpet wool. Apparel wool consumption was 30 percent above 1958, but about equal to the average use in the last 5 years. Carpet wool mill use was the highest since 1950 and the third highest on record. Even though consumption declined slightly during the latter part of 1959, the outlook is for continued strong mill use of both apparel and carpet wool during the early months of 1960.

Total world wool consumption was up sharply in 1959 to an estimated record 3,180 million pounds, clean content, 12 percent above 1958, and almost 8 percent above the previous high in 1957.

Reflecting increased U.S. mill consumption in 1959, imports of raw wool were up substantially. Total imports increased 54 percent above 1958 and amounted to 292.1 million pounds, clean content—100.6 million pounds of dutiable wools and 191.5 million pounds of duty-free wools. Imports of tops, yarns, and woven fabrics were all up substantially in 1959 compared with a year earlier.

Domestic production of woolen and worsted woven goods during 1959 was 14 percent higher than a year earlier. The worsted output accounted for more than 53 percent of the apparel wool consumption. Of the 770 million pounds of all fibers consumed in 1959 in woolen and worsted products, raw wool's share was 56 percent of the total; noils, reused and reprocessed wool, 22 percent; man-made fibers, 19 percent; and other fibers, 3 percent.

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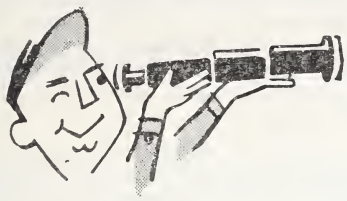

OUTLOOK

Acreage planted to grains this year will be a little smaller than in 1959, if farmers carry out the plans they reported in early March.

Growers' plans indicate last year's cut in soybean acreage will be nearly wiped out in 1960. A 4 percent increase is planned for sugar beets . . . a 16 percent cut for sweetpotatoes. Acreage for a number of other crops—potatoes, peanuts, dry peas, dry beans, tobacco, flaxseed—show only minor changes from 1959. (See the story on page 1.)

Vegetables

Supplies of canned vegetables are smaller than a year ago but generally adequate. Main exception is sauerkraut which is in tight supply. Stocks of frozen vegetables also are smaller than last year but above average.

Cattle

Marketing of fed animals will continue large the next few months and prices are likely to fluctuate around current levels. This would be below last spring.

Soybeans

Crushings have slowed recently in the face of declining prices for oil and meal and steady prices for beans. Total crushings for 1959–60 probably will be around 400 million bushels, near the 1958–59 level. Exports have been running well above last year and are headed for a new record of about 125 million bushels. The 1958–59 total was 110 million.

Farm Exports

The volume in the first 7 months of fiscal 1959–60 is up 22 percent from the same period last year . . . value is up 15 percent. Cotton is the biggest gainer. Oilseeds and oil, cattle, livestock products, prepared feeds, fresh fruits, and dry beans and peas also are up substantially.

Feed

Grain prices have risen an average of only 1 percent since November, considerably less than the usual seasonal increase. In mid-February, they averaged 3 percent below a year earlier. High-protein feed prices in early March were a tenth below March 1959. Feed prices are likely to continue below a year earlier through the first half of 1960.

Dairy

Mid-January and mid-February prices to farmers for milk and butterfat and wholesale prices of dairy products have been a little above last year. Farm production also has been running close to year-ago levels.

Broilers

Rise in prices is not likely to bring a substantial increase in production in the near future. Credit is limited and supply of hatching eggs is not large

OUTLOOK

Continued

enough to support a big increase in production. Most likely outlook is for prices to be fairly steady into summer.

Turkeys

Turkey production in 1960 is likely to rise above the 1959 record of 82 million birds. Any substantial increase in the size of the crop would reduce the possibility of turkey prices repeating the rise that occurred in late 1959.

Wool

Demand for wool products continues strong and stocks are low. This means that prices to farmers the next few months probably will hold about at January–February levels. (See the story on page 4.)

Cotton

Exports are moving at a rapid rate. January shipment of 1.1 million bales, larger than in any other month since November 1935, brought August–January total to 3.2 million, more than double a year earlier. Season's total is expected to reach about 6.5 million, over twice the 1958–59 figure of 2.8 million. Use in U.S. mills also is up from last year and for the season probably will exceed the 1958–59 total of 8.7 million bales by about 300,000.

Increased disappearance will cut carryover this year. August 1 stocks probably will be about 8.1 million bales, compared with 8.9 million a year earlier.

Dry Beans and Peas

The demand for dry beans remains strong. The principal classes of white beans generally are selling below those of a year ago, but above support levels. Tight supplies of the principal colored classes continue to move at relatively high prices.

Remaining supplies of dry peas are materially larger than the tight supplies of a year ago, and prices to growers continue much below the relatively high level of a year earlier.

Sheep

Prices of lambs will probably share in the general price strength of livestock and will hold above last year's prices during most of the spring.

Eggs

Number of chickens raised for laying flock replacement this year is practically certain to be well below 1959. Hatchings of chicks for laying flock replacement since last September are down 29 percent from a year earlier. Spring hatchings are likely to be off by a smaller percentage, but number of chickens raised this year is likely to be smallest on record. Egg production this fall is likely to be down enough to raise prices to farmers above those of the same period of 1959. (See the story on page 7.)

Hogs

This summer hog prices probably will climb well above last year. The current advance may be interrupted this spring when marketings of fall pigs are heaviest, but any decline is likely to be short-lived. Corn Belt hog producers are holding close to the intentions reported last December. (See the story on page 3.)

OUTLOOK FOR EGG PRICES LOOKS BRIGHTER

Too many chickens, not enough chickens . . . somewhere between there's a shadowy line that represents "just enough chickens."

After the disheartening experience that egg producers had in most of 1959, with egg prices averaging the lowest since the early 1940's, it's obvious that in that year there were too many chickens—or at least too many eggs.

By the fall of 1960, egg supplies will mirror the corrective steps that farmers have taken to change the situation. They are raising fewer chicks this spring and the laying flock is already smaller than last year and will become smaller still. Egg production in every month of the year probably will be less than in 1959.

The current drop in the number of layers follows mostly from the reduced number of replacement chickens raised in 1959. Some 401 million were raised that year—the second smallest number in 50 years of record. As a consequence, the 305 million layers on hand March 1 were 4 percent fewer than the preceding March 1.

The reduction expected in the late 1960 flock, compared with the year before, will be on account of the further cut that is being made this spring in the number of replacement chickens being raised for egg-laying flocks. In January and February 1960, hatches of egg-type chicks averaged 36 percent lower than in 1959. The early March hatch will reflect the numbers of eggs in incubators at the beginning of that month—a cut of 39 percent from last year.

Such deep cuts will not continue through the important hatching months of April and May. Hatchings in late March are even likely to have been on a higher plane than earlier in that month.

Egg prices in the month of March moved up smartly, in response to storm-induced shortages in terminal markets. This may encourage poultrymen to maintain their replacements at higher levels than early hatchings had indicated. But even so, other limitations are likely to hold replacements raised this spring and summer below the level indicated by farmers' intentions in February.

On specialized farms, credit is one of those limitations. Feed suppliers with long lines of credit already out are not eager to extend lines of credit for starting replacements, and bankers are cautious in view of egg prices in the past year or so. This problem is of less concern on farms with sideline poultry flocks.

The January intentions were to cut 1960 replacement chick purchases 9 percent below last year. In their intentions statements farmers in the south central and western regions were exceptions to the trend toward fewer replacements. In the hatchings to date, however, every region has cut back from the 1959 level of hatchings.

The laying flocks will not be down from a year earlier by an amount fully proportionate to the cut in chickens raised. One adjustment farmers will make is to cull birds less rigorously, and thereby partially offset the shortage of pullets.

Despite this adjustment, it looks like egg production in every month of 1960 will be below 1959. After the surplus springtime production has passed—say after mid-June—egg prices are likely to be noticeably higher than during the spring. If that prospect proves correct, the hens now laying and the pullets now growing ought to handsomely pay their way as egg producers.

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SUBSTITUTION HIGHLIGHTS THE FOOD FAT AND OIL PICTURE

Major shifts in the use of food fats and oils have occurred over the past 30 years even though per capita consumption has been relatively stable—around 45 pounds a person. However, total consumption, keeping pace with an increasing population, has risen from 5.5 billion pounds in 1929 to over 8 billion in 1959.

Substitution has been continually taking place, both among the three major food fat groups—table spreads (butter and margarine), cooking fats (lard and shortening), and cooking and salad oils—as well as among products within each group. There are also indications that the use of fats and oils in prepared foods has increased, while consumption of the fats and oils themselves has declined slightly.

The food fats and oils make up about two-thirds of the fats and oils we use in this country. The other third goes into nonfood uses.

Table Spreads

Before World War II we consumed about 20 pounds of butter and margarine per person per year. Wartime shortages helped lower the combined consumption of these two major table spreads and recovery thereafter was slow. By 1959 combined butter and margarine consumption climbed to around 17 pounds per person but it was still 15 percent lower than it was just before World War II.

Several factors help to account for the reduction in the use of butter and margarine. Other spreads, such as mayonnaise and cheese, have increased in popularity, and per capita use of bread and potatoes has declined. Moreover, many consumers are intentionally limiting their use of all "visible fats."

In the 1920's the fat content of butter represented nearly 34 percent of the food fats we used. In 1959 butter comprised only 14 percent of the total consumption of food fats.

In contrast with butter, margarine has been growing in importance within the fats and oils industry. During the 1920's the fat content of margarine represented less than 5 percent of the total use of food fats. In 1959 margarine usage comprised 16 percent of the total food fats.

Many things have led to the shift from butter to margarine since the immediate pre-World War II period. But two stand out—the changing price ratios between the two spreads and the gradual removal of restrictive legislation on margarine.

Butter prices to consumers usually have been at least double those for margarine in most years since the mid-1930's. In 1959 the ratio was 2.7 as retail prices of butter increased 1.1 cents per pound over 1958 while margarine prices declined 1.4 cents to the lowest level since World War II.

World War II, which brought about much of the reduction in combined use of butter and margarine, also gave impetus to much of the later growth in margarine consumption—and to removal of legal restrictions that previously limited its use.

Increased production of margarine was made possible by the sharp growth in domestic output of edible vegetable oils during the last 20 years. Margarine's fat content averages about 81 percent. Expanding supply has meant lower prices in recent years for the fats and oils ingredients used in the manufacture of margarine, and margarine prices have declined, thus widening the butter-margarine price ratio.

Margarine output in 1959 set a new record of 1,611 million pounds 773 million above the 1947–49 average and far above the 1935–39 average of 372 million pounds.

By far the largest source of fats and oils for expanded margarine output has been the soybean. Soybean oil constituted 85 percent of all fats and oils

PER CAPITA USE OF FOOD FATS

	1929	1959	CHANGE
	Pounds	Pounds	Pounds
TABLE SPREADS [1]			
Butter	14.2	6.4	− 7.8
Margarine	2.5	7.3	+ 4.8
Total	16.7	13.7	− 3.0
COOKING FATS			
Lard	12.7	9.0	− 3.7
Shortening	9.9	12.6	+ 2.7
Total	22.6	21.6	− 1.0
COOKING and SALAD OILS	5.6	10.8	+ 5.2
TOTAL FOOD FATS [1]	44.9	46.1	+ 1.2

[1] Fat content basis

used in making the product in 1959. Only small quantities of soybean oil had been used in margarine before the war.

Cottonseed oil was the major constituent in margarine just after the end of the war, but its consumption decreased in the years following. Small quantities of lard, vegetable stearine, beef fats, coconut oil, peanut oil, corn oil, and other vegetable oils also are used in margarine.

Cooking Fats

During the past 4 decades total consumption of cooking fats—lard and shortening—has been fairly stable, averaging about 22 pounds a person.

In recent years increasing amounts of lard have been going into shortening. This has distorted the true relationship between the consumption rates of lard and shortening. For example, in 1959 lard represented 22 percent of all fats and oils consumed in shortening compared with about 8 percent in 1947–49. If indirect use of lard is added to the direct use in the home, bakeries, and other institutions, it is evident that lard is still the major cooking fat in the United States. Nevertheless, there has been a significant substitution of shortening for lard as such.

Use of lard has dropped from about 14 pounds per person in the early 1920's to a record low of 9 pounds in 1959. This drop was more than offset by an increase in shortening consumption. During the depression years, direct lard usage bounced back to a peak of 14.4 in 1932 whereas shortening dropped to 7.5 pounds. Lard usage again generally declined in the years following the depression until 1940 when it rebounded to 14.4 pounds per person.

Shortening consumption showed opposite changes during these years. Direct use of lard reached a postwar peak of 12.7 pounds in 1948. Shortening consumption per person showed the opposite trend, rising from 7 pounds in the early 1920's to a record high of 12.6 pounds in 1959.

(Continued on the next page)

Cooking and Salad Oils

Cooking and salad oils—mainly soybean oil, cottonseed oil, peanut oil, corn oil, and olive oil—have shown a fairly steady growth in the past 4 decades, rising from 3.5 pounds per person in 1921 to about 11 pounds in 1959.

The per capita consumption of edible oils used in mayonnaise and salad dressings has increased from 1.4 pounds per person in 1939 to 3.3 in 1959. While oil usage per capita in mayonnaise and salad dressings continues to edge up, its proportion relative to the total consumption of other edible oils has declined slightly in the past decade.

This reflects the substantial increase in total edible oil consumption during the 1950's due mainly to increased usage of salad and cooking oils. Commercial use of oils in the production of potato chips, frozen french fries, mellorine, and other prepared foods and food mixes has also been growing.

The growth in the use of cooking oils has been associated in part with the expanding demand for prepared foods and food mixes. The use of oils utilized in frozen french fries increased from an estimated 0.01 pound per person in 1949 to 0.16 pound in 1959.

Growth in production of potato chips has not only been greater than for french fries but they require a much higher percentage of oil. Mellorine is another product containing fats and oils for which the market has expanded in recent years.

Rising income and increased demand for restaurant-served meals and for convenience foods undoubtedly has enabled cooking and salad oils to make some inroads on the consumption of other food fats and oils.

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THE FARMER'S SHARE

The farmer's share of the consumer's food dollar was 38 cents in January, 1 cent higher than in December. In January 1959, the farmer's share was 39 cents.

Early Lamb Crop Up About 2 Percent

Around March 1, the number of early lambs was 2 percent higher than a year earlier in the 10 principal early lamb producing States—Mo., Va., Ky., Tenn., Tex., Idaho, Ariz., Wash., Oreg., and Calif.

Although the number of breeding ewes in these States on January 1, 1960, was 5 percent higher than a year earlier, the proportion of ewes lambing early was below a year earlier. The number of breeding ewes on farm and ranches January 1 was above the previous year in all of these States except in Missouri, Kentucky, and Tennessee.

In general, growth and development of early lambs has been slower than normal. Weather was generally favorable in January, but unfavorable during the last half of February. Missouri, Kentucky, Virginia, and Tennessee were hit by heavy snow and severe winter storms. Feed and hay supplies have been adequate in the early lamb States to handle the considerable supplemental feeding that has been necessary.

In Texas, ewe numbers on January 1 this year were 9 percent higher than the previous year. The percent of ewes lambing prior to March 1 was about the same as a year earlier. Unusually cold, wet weather after mid-February slowed development of the early lamb crop. Excellent range feed is in prospect, however, since moisture is plentiful.

The crop in California and the Northwestern States is expected to be larger than usual. Supplemental feeding has put breeding ewes into good condition.

Prospects in the Southeastern States are for a smaller crop than a year earlier. Ewe numbers and the percent of ewes lambed prior to March 1 are below a year earlier. In Missouri fewer ewes were on hand January 1, but the proportion of ewes lambing early was higher.

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ARE YOU UP ON THE REVISED USDA GRADE STANDARDS FOR LAMB?

Revised USDA standards for lamb, yearling mutton, and mutton carcasses have gone into effect. And they might help broaden the market for lamb.

The changes in the standards should tend to lower the average fatness in the U.S. Prime and U.S. Choice grades. This would be in line with expressed consumer desires for less fat on meat.

In addition, under present production and marketing practices, there would be a substantial increase in the number of lambs eligible for the Prime grade. This increase in numbers would make possible effective merchandising of this grade.

In the past, U.S. Choice was just about the only grade emphasized at retail. The small amount of Prime usually went to hotels, steamship lines, and other institutional users. Carcasses of lower quality usually were not presented for grading. The other grades are—U.S. Good, Utility, and Cull.

USDA developed the revised standards after hearing the proposals of representatives of the meat and livestock industries. Some lamb producers and industry groups had proposed that Federal grading of lamb and mutton carcasses be suspended. Comments on this proposal, made by all segments of the industries and consumers, favored, in the majority, continuing the grading but revising the standards.

Federal lamb grading is a voluntary service performed by the Agricultural Marketing Service on a self-supporting fee basis. It was started in 1931 at the request of the industry. Since 1952 about 35 percent of the total commercial production of lamb has been federally graded.

Revised standards for grades of live sheep and lambs have been proposed to bring them in line with the new carcass standards. The Federal grades for meat are designed to be directly related to the corresponding grades for the live animals.

No Federal livestock grading service similar to that for meats is available. But almost all slaughter animals are sold in terms of U.S. grades.

All USDA market news reports on lamb and mutton carcasses and on live lambs and sheep are based on the official USDA standard grades.

The proposed changes in the standards for grades of slaughter lambs, yearlings, and sheep reduce conformation and quality requirements for the Prime and Choice grades.

Minimum conformation requirements would be lowered by about one-half grade in each of these grades.

Quality requirements, evaluated primarily by considering external fat in relation to the age of the animal, would be reduced by varying degrees for the different grades, depending upon the age of the animal.

Quality requirements for very young lambs would be reduced by about one-half grade in both Prime and Choice grades. For older lambs, requirements would be reduced about one grade in Prime and two-thirds of a grade in Choice. Quality requirements for yearlings would be reduced about one-half grade in Prime and Choice grades, and for mature sheep about one-half grade in the Choice grade.

Copies of the revised standards, when issued, will be available from the Livestock Division, AMS, USDA, Washington 25, D.C.

HAS THE DECLINE IN MILK COW NUMBERS ENDED?

During 1959 the number of milk cows on our farms declined less than 1 percent—0.7 percent to be exact. That there was a decline was not particularly news. The number of milk cows in the United States has declined in every year since 1944 except two. However, the letup in the rate of decline was important. The decline during the past year was the lowest for any calendar year since the number increased in 1953.

The 0.7 percent decline is an average—some States and regions showed increases in milk cow numbers. Among regions, numbers as a percent of a year earlier were: North Atlantic, 100; North and South Central, 98; South Atlantic, 101; Western States, 102.

The distribution of cows among regions has changed substantially in the past 15 years (see chart). All regions have shown declines. Cow numbers in the West North Central and South Central have dropped approximately 33 percent. The North Atlantic States, on the other hand, showed a decline of less than 6 percent from January 1, 1945, to January 1, 1960.

The decline in the West North Central and South Central States accounted for two-thirds of the total decline in the United States as a whole from January 1, 1945, to January 1, 1960. The East North Central States accounted for less than one-fourth of the decline. The remaining three regions accounted for less than 5 percent each.

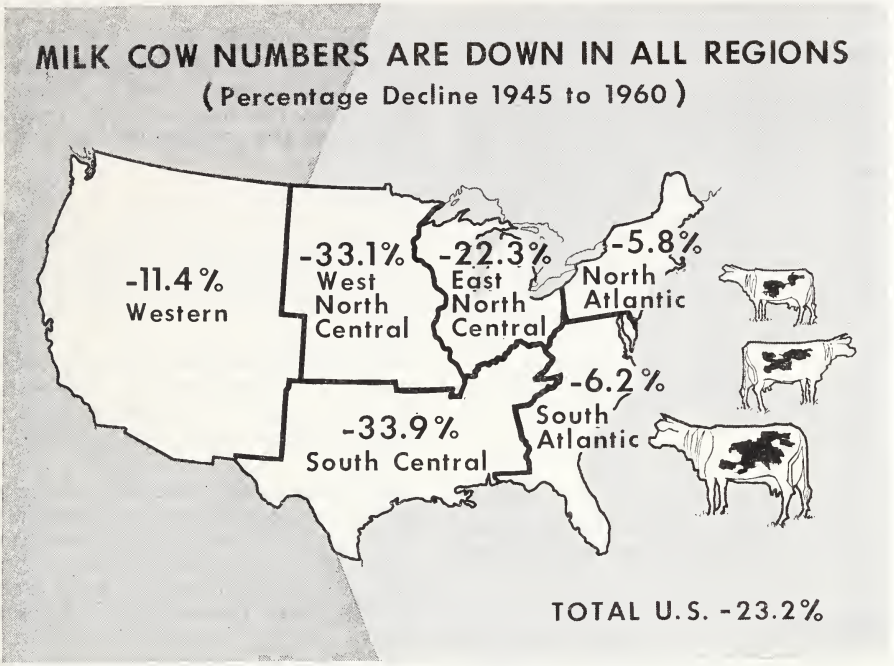
This regional redistribution of milk cows reflects two major developments: first, the decline in demand for butter, which in turn reduced the demand for milk in many States in the Great Plains and Western Corn Belt; and second, increased demands for fluid milk near the populous areas of the country.

Possibly of greater significance than the letup in the decline in the number of milk cows was the actual increase in the number of replacement dairy animals during 1959. The number of heifers 1 to 2 years of age kept for milk cows had declined each year, 1954 through 1959. But on January 1, 1960, this number increased 3 percent over a year earlier. The number of heifer calves under 1 year of age turned upward as of January 1, 1959, and showed a 4 percent gain during 1959. In relation to the number of mature cows on hand, the number of young stock on January 1, 1960, was at a record high level.

All regions of the country showed an increase in the number of young dairy stock. Increases in the number of heifers 1 to 2 years of age ranged up to 6 percent in the South Atlantic and Western States. Heifer calf increases ranged from 2 percent in the East North Central States to 6 percent in the Western and North Atlantic States. In all regions, except the East North Central and South Atlantic States, the increase over a year earlier for the animals under 1 year of age was equal to or greater than the increase for the animals in the 1- to 2-year bracket.

This increase in the number of young stock in the past year does not necessarily guarantee an increase in the number of milk cows within the near future. However, the fact remains that the number of young stock is at a record high level compared with mature cows. And the prospects that many of the factors which motivated the shift in events within the past year will continue through 1960 suggests that there is a good possibility that the number of milk cows will become larger within the near future. The rate of culling among dairy herds during 1959 was the lowest since 1953, when the number of milk cows increased.

The gradual decrease in number of milk cows within the past several years reflected the decline in the number of



dairy farms, only partly offset by the increase in number of cows kept per farm. In years gone by, farmers often shifted from milk production to beef production, or vice versa, depending on economic conditions. Because of the expensive facilities now needed on dairy farms, there is relatively little shifting from beef to milk. The rate of decline in numbers of dairy cows depends mainly on the rate at which dairy farms shift to other enterprises.

Over the past year or 18 months, the price for hogs declined to the lowest levels in some time, and during 1959 the prices for beef cattle declined considerably. This made production of milk appear more attractive in relation to hogs and beef. These and other changes generated renewed confidence among dairymen. This is illustrated by the comparatively stable price for milk cows, in the face of a declining carcass value of dairy animals, as well as the upturn in number of dairy heifers.

What does all this mean for future milk production? Over the years, the increase in the rate of milk production per cow—over 2 percent a year on the average—has been more than enough to offset the decline in number of milk cows. Milk output rose to record high in 1957 and declined only slightly the next 2 years.

There is little reason to doubt that the rate of milk production per cow will continue to increase as much as the average of the last several years, barring extreme weather fluctuations. With the slowdown in the rate of decline in numbers of cows—and the possibility of some increase in numbers—milk production is likely to turn upward in the next year or so. It is quite possible that the increase in production will be more rapid than the increase in commercial demands for milk products.

Prices to farmers for milk will be supported at the same level in 1960–61 as last year. An increase in production would boost cash receipts from dairying. They may reach a new high this year. However, production expenses also are likely to be higher.

Herbert Kriesel
Agricultural Economics Division, AMS

Cotton . . .

Another big crop is cotton—but we do not estimate cotton acreage until July. We do know, however, that the basic allotment for 1960 is about the same as for 1959—16.4 million acres. Of course, farmers could take either Plan A or Plan B again this year. Those who chose Plan B increased their allowable acreage 1.2 million, thus bringing the total allowable acreage to 17.6 million. Last year under Plan B, growers increased their allowable acreage by 1 million, bringing the total allowable acreage to 17.4 million.

Rice . . .

About 1.6 million acres may be seeded to rice. This is about the same acreage as last year, but 14 percent smaller than the 1949–58 average.

Peanuts . . .

Growers planned to plant 1.6 million acres to peanuts—2 percent less than last year and 22 percent below the 1949–58 average.

Barley . . .

Barley may be planted on 16 million acres. This acreage is down 4 percent from last year, but 24 percent larger than the 1949–58 average.

Dry Beans and Peas . . .

Bean growers intended to plant 1.5 million acres of dry beans—about 1 percent less than last year. About 316,000 acres may be planted to dry peas—1 percent less than in 1959.

Flaxseed . . .

An estimated 3.5 million acres will be planted to flaxseed, a little less than last year.

Sugar Beets . . .

Sugar beet producers are planning to plant 981,000 acres in 1960. This is about 4 percent more than they planted in 1959.

Tobacco . . .

Growers indicate that 1.2 million acres of tobacco will be planted this year. This acreage would be slightly above 1959, but except for the past 3 years, it is the smallest acreage since 1911.

Potatoes . . .

Farmers planned a 1 percent increase in late summer and fall potato acreage. Total potato acreage in 1960 is set at 1.4 million, up 2 percent from 1959.

About 16 percent fewer acres may be planted to sweetpotatoes in 1960 than in 1959. Intended acreage, at 241,800 is 31 percent below the 1949–58 average.

The total acreage of all the 16 crops carried in the intentions report is only about a million acres below what was finally planted in 1959. And there is no good reason to doubt that the level of crop yields per acre will continue high.

The total crop production output in 1960, with average breaks, should run at least a close second to the record-equaling crop last year.

The season to date is somewhat late and many areas of the country are still in the firm grip of winter. Moisture seems to be plentiful everywhere—in fact too plentiful in some areas. There are a few isolated dry spots but moisture has seldom been better at this time of the year.

Irrigation water is short in some areas but not alarmingly so. The Great Plains wheat crop is potentially poised for a good spring start, with enough moisture already available to carry the crop far toward maturity.

So, with continued progress in farming know-how everywhere, it would take some severe blows to reduce 1960 total crop production much below 1959 on the acreage that is now in prospect.

Of course, many factors may change farmers' plans. Weather, disease, prices, and even the report itself—by indicating what other farmers intend to do—may play a part in causing shifts from early season plans.

Charles E. Burkhead
Agricultural Estimates Division, AMS

"Bert" Newell's Letter

Why does anyone want a crop report, or a livestock report, or a price report, or—well, any of the many kinds of reports put out by the Crop Reporting Board? It seems that there is plenty of food and fiber produced—more of some things than we really need. So, why not just tell everyone that there is plenty of everything and let it go at that.

If we would just keep our big mouths shut, no one would know whether we produce half a billion or a billion bushels of wheat, 2 or 4 billion bushels of corn, whether we have 50 million or 100 million head of livestock, and so on, and on. If we would stop the price reports, no one would know whether farm prices were up or down, and, of course, no one would really know the average cost of fertilizer, or tractor, or binder twine, or harness or grain cradle. (I'd bet a lot of people wouldn't know a grain cradle if they met it in the street, and a good many have forgotten how to harness a team.)

Yes sir, if we just quit making reports, we could go back to "the good old days"—say, around 1830 when no one knew what was going on anywhere except right close to home. If there was a big crop locally, everyone could keep real quiet and let on that there was not so much available; but if there was a short supply, they could shout it from the housetops. We could go back to that nice homey situation where everyone could "shoot the market" to suit himself.

Oh, sure some rumors and bits of information would filter through from the outside. No one would pay any attention to that, though, because they would have long since learned that that sort of information was biased, either on purpose or because the person didn't have really broad enough information to cover the real situation. When the hogs, or apples, or potatoes were ready to go, a farmer could very easily call up the railroad or the trucking firm and ask for a couple of cars, or a truck or so. Maybe it would take 2 or 3 days, or a week or more to get it, and in the meantime some things would spoil or some feed would be wasted; but naturally the farmer wouldn't complain too much. And then the handlers, the processors, and all those people who are responsible for getting the supplies on the market would have a time. Naturally, their costs would go up because they would have to try to find out something about the whole supply situation.

As incomplete as this information might be, it would still be more than would be available to the local producer. So, to be safe and protect themselves from the many unknowns, you know what would happen. Prices would be held as low as possible to guard against the many uncertainties that would exist in this kind of situation, and everyone knows uncertainty is one of the biggest marketing costs. As a result, your favorite market might run out of things, but your wife would just love to chase around the countryside or drive to the next town to do her shopping.

Yes, if there were no crop and livestock reporting service, everyone could "shoot the market" as the saying goes, and I am sure it would be shot deader than a salt mackerel. But aside from the market, how would anyone be able to appraise the real situation or arrive at a sound policy for agriculture, which with all of its ramifications is our biggest and most fundamental business.

I know I have been a bit facetious about some of this, but I am really serious. Without sound and unbiased facts, statistical and otherwise, the entire industry concerned with producing and marketing food and fiber would be thrown into chaos. Now, I don't claim you can eat statistics, even with cream and sugar on them. But, one thing is for sure, in this day and age you wouldn't eat nearly as well if it were not for the crop and livestock reporting service of the Agricultural Marketing Service.

S. R. Newell
Chairman, Crop Reporting Board, AMS

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In This Issue

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